



Export Promotion in India (2022–23)

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Introduction

Export promotion plays a crucial role in the economic development of India. It helps in increasing foreign exchange earnings, generating employment opportunities, improving industrial growth, and strengthening international trade relations. During 2022–23, India focused significantly on promoting exports through policy reforms, export incentive schemes, infrastructure development, and trade diversification strategies. Despite global economic uncertainties caused by geopolitical tensions, inflation, and supply chain disruptions, India recorded strong export performance during this period.

India achieved remarkable growth in merchandise and services exports in 2022–23. The Government of India introduced several initiatives through the Ministry of Commerce and Industry and the Directorate General of Foreign Trade (DGFT) to improve the competitiveness of Indian products in the global market. Export promotion in India during the 2022-23 fiscal year was defined by a transition from traditional subsidy-led models to a more dynamic, “remission-based” approach. Despite global economic headwinds and supply chain disruptions, India achieved a record-breaking export performance, crossing the \$770 billion mark in total exports (merchandise and services).

Meaning of Export Promotion

Export promotion refers to government policies, incentives, and institutional support designed to encourage domestic producers to sell goods and services in international markets. At its simplest, export promotion is a set of policies and initiatives designed by a government to encourage domestic companies to sell their goods and services in international markets.

Instead of just producing for local consumers, the goal is to expand the “customer base” to the entire world. It is the opposite of Import Substitution (which focuses on making everything at home to avoid buying from abroad).

The Core Objectives

Governments promote exports for several vital economic reasons:

Foreign Exchange Earnings: To earn “hard” currencies (like the USD or Euro) which are needed to pay for essential imports like oil, gold, and high-end technology.

Balance of Trade: To ensure the value of what a country sells (exports) is higher than—or at least close to—what it buys (imports).

Economic Growth (GDP): Exporting allows industries to grow much larger than the local population could ever support, leading to more jobs and higher tax revenue.

Efficiency & Quality: Competing in global markets forces domestic companies to improve their quality and lower their costs to stay competitive

Increasing foreign exchange earnings

Expanding international market access

Encouraging domestic production

Creating employment opportunities

Improving the balance of trade

Enhancing economic growth

Export Performance of India in 2022–23

India’s export sector showed resilience during 2022–23. Merchandise exports crossed significant milestones, while services exports continued to rise steadily.

Major highlights include:

India achieved historically high export levels in recent years. While announced toward the end of the fiscal year (March 31, 2023), the groundwork for FTP 2023 heavily influenced the 2022-23 landscape. Shift to Remission: The policy moved away from direct incentives toward the remission of duties and taxes (e.g., RoDTEP and RoSCTL), ensuring compliance with WTO standards.

Internationalization of the Rupee: 2022-23 saw the first major push to allow trade settlements in Indian Rupees (INR), aimed at easing trade with countries facing currency volatility or sanctions.

Amnesty Scheme: A one-time scheme was introduced to allow exporters to settle old defaults in export obligations without heavy penalties, providing a “clean slate.”

Engineering goods, petroleum products, chemicals, pharmaceuticals, electronics, textiles, and agricultural products were major export contributors. Services exports such as IT services, business services, and financial services expanded considerably. The government promoted exports through district-level export hubs and market diversification strategies. According to the Ministry of Commerce, export promotion measures and continuous monitoring helped India maintain strong export momentum despite global economic challenges.

Major Export Promotion Measures in 2022–23. Extension and Expansion of RoDTEP

1. The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, which ensures that exporters are not burdened by hidden local taxes, saw significant expansion:

New Sectors Added: In December 2022, the government expanded the scheme to cover previously excluded but vital sectors: Pharmaceuticals, Chemicals, and Articles of Iron & Steel.

Rate Corrections: In January 2023, the government addressed anomalies in 432 tariff lines to ensure fairer remission rates for various products.

2. Foreign Trade Policy (FTP) 2023

While announced on March 31, 2023, the groundwork for this policy defined the strategic direction for the year. It shifted the approach from “Incentives” to “Remission and Facilitation”: A major highlight was a one-time Amnesty Scheme for exporters who had defaulted on their export obligations under the EPCG and Advance Authorization schemes. This allowed them to regularize their status by paying only the exempted duties and limited interest.

Status Holder Recognition: Firms with high export performance were recognized as “Status Holders” and encouraged to mentor smaller exporters under an “Each One Teach One” model.

3. Districts as Export Hubs (DEH)

The government intensified the integration of the One District One Product (ODOP) initiative with the broader export strategy:

District-Specific Strategies: State and District Export Promotion Committees were formed to identify products with high global demand at the local level.

Institutional Support: Focus was placed on providing testing labs, certification centers, and cold chain infrastructure within districts to help rural producers export directly.

4. E-commerce Export Facilitation

Recognizing the boom in digital trade, several measures were introduced in 2022-2023:

Increased Limits: The value limit for exports through couriers was doubled from ₹5 lakh to ₹10 lakh per consignment.

E-commerce Hubs: The policy initiated the development of dedicated hubs to streamline the warehousing, customs clearance, and returns process for small online sellers.

5. Promotion of “Rupee Trade”

In July 2022, the Reserve Bank of India (RBI) put in place a mechanism to allow international trade settlements in Indian Rupees (INR).

Goal: To facilitate trade with countries facing dollar shortages or sanctions and to reduce the volatility of exchange rates for Indian exporters.

6. Trade Agreements (FTAs)

2022-23 was the first full year of operation for several “New Age” trade deals:

India-UAE CEPA: This agreement significantly boosted exports in gems, jewelry, and textiles.

India-Australia ECTA: This entered into force in December 2022, providing duty-free access for over 90% of Indian goods in the Australian market.

1. Foreign Trade Policy (FTP)

The Foreign Trade Policy aimed to enhance exports and simplify trade procedures. DGFT introduced digital reforms and policy support for exporters. Export obligations and incentives were streamlined to improve ease of doing business.

2. Production Linked Incentive (PLI) Scheme

The PLI Scheme encouraged manufacturing and exports in sectors such as:

Electronics

Pharmaceuticals

Textiles

Automobile components

Telecom equipment

The scheme helped attract investment and improve India's integration into global supply chains.

3. Districts as Export Hubs Initiative

The government identified districts with export potential and prepared district export action plans. This initiative aimed to promote local products, MSMEs, handicrafts, and agricultural products internationally. ❖

Ministry of Commerce and Industry

4. Export Promotion Councils (EPCs)

Export Promotion Councils supported exporters by:

Conducting trade fairs and exhibitions

Providing market intelligence

Assisting in export documentation

Promoting Indian products globally

These councils played an important role in improving export competitiveness.

5. Agricultural Export Promotion

India promoted agricultural exports through APEDA and related schemes. Emphasis was placed on processed foods, organic products, fruits, vegetables, rice, and marine products. Infrastructure development, laboratory testing, and market access initiatives were strengthened.

6. Promotion of Rupee Trade

India introduced policy changes to facilitate international trade settlement in Indian Rupees (INR). This reduced dependence on foreign currencies and supported smoother trade transactions with partner countries.

Challenges Faced in Export Promotion

Despite progress, India faced several challenges during 2022–23:

Global economic slowdown

Russia–Ukraine conflict

Rising inflation and shipping costs

Supply chain disruptions

Export restrictions on selected commodities

Strong international competition

Infrastructure and logistics issues

Export curbs on commodities like wheat, rice, and sugar affected agricultural exports in some sectors.



Reuters

Government Schemes Supporting Exports

Important export promotion schemes during 2022–23 included:

Remission of Duties and Taxes on Exported Products (RoDTEP)

Export Promotion Capital Goods (EPCG) Scheme

Service Exports from India Scheme (SEIS)

Advance Authorization Scheme

Duty Credit Scrip Schemes

These schemes reduced costs for exporters and improved competitiveness in international markets. ❖

Importance of Export Promotion

Export promotion contributes significantly to the Indian economy by:

Increasing GDP growth

Earning foreign exchange

Boosting industrial production

Encouraging entrepreneurship

Generating employment

Supporting MSMEs

Enhancing global competitiveness

It also strengthens India's position in global trade and promotes economic stability.

Conclusion

Export promotion emerged as a major pillar of India's economic strategy during 2022–23. Through policy reforms, incentive schemes, export diversification, and institutional support, India succeeded in maintaining strong export performance despite global uncertainties. Government initiatives such as the PLI scheme, Districts as Export Hubs, agricultural export promotion, and trade facilitation measures significantly contributed to export growth.

For sustained progress, India must continue improving logistics, infrastructure, trade agreements, digital trade systems, and global market access. Strengthening export competitiveness will help India achieve long-term economic growth and become a leading global trading nation.

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